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CENTRAL INTELLIGENCE AGENCY
WASHINGTON, D.C. 20505

OCI No. 0524/76
July 16, 1976

MEMORANDUM FOR: Director, Division of International Security Affairs, ERDA

SUBJECT : Israel: Prospects for Political Stability, Security Conditions, and the Terrorist Threat

REFERENCE : Your letter dated March 16, 1976 re OCI Briefing Support to ERDA

Political Stability

1. Despite the stresses of four major wars since its creation in 1948, Israel has had an almost unblemished record of internal political stability. As a parliamentary democracy, the country has well-established procedures for the orderly transfer of power, solidly anchored in law and in practice. Perhaps nothing illustrates this point better than the Israelis' decision to proceed with scheduled general elections shortly after the October 1973 war.

2. Because Israel's proportional representation system encourages party fragmentation no party has ever won a clear-cut parliamentary majority; every cabinet has represented coalitions, normally of four or five parties. The labor-oriented parties, however, have dominated every governing coalition since independence and MAPAI, the largest of the labor groups, has always chosen the prime minister from its ranks.

3. Handicapped by a reduced majority in parliament and dissension within its own ranks, Prime Minister Rabin's government has frequently been characterized by its critics as being weak and indecisive. Indeed, Rabin's rivals within the cabinet, most notably Defense Minister Peres, pose more of a threat to his leadership than does the opposition led by the conservative leader of Likud, Menachem Begin.

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4. For the present, Rabin remains in a relatively strong position vis-a-vis his rivals, but it is not inconceivable that he could fall as a result of an inter-Labor Party struggle before the next general elections, now scheduled for the end of 1977. It is also possible, but less likely, that Likud could pick up enough seats in the next elections to form a coalition government without labor. Even were one or the other of these to happen, the transfer of power would be orderly, if perhaps somewhat protracted. When Mrs. Meir decided to step down in April 1974, it took several weeks to choose a successor and install a new cabinet. In the meantime, the Meir government continued to function smoothly in a caretaker capacity and successfully negotiated the disengagement with Syria.

Internal Security

5. Although deep divisions exist in Israeli society between so-called Western and Oriental Jews as well as between Arab and Jew, it is difficult to conceive of an extra-parliamentary effort being mounted to oust Israel's duly elected officials. A commonly held commitment to Zionist ideals and twenty-eight years of hot and cold wars with the Arabs have acted as a strong bond and bred a pervasive sense of security consciousness among the vast majority of Israelis. Even Israel's small handful of Communists are split along Israeli-Arab nationalist lines.

6. As always, threats to Israel's security come largely from its Arab neighbors. A new dimension of the Arab-Israeli problem, however, has emerged since the 1973 war. Palestinian nationalism, festering just beneath the surface on the occupied West Bank, erupted in a series of violent anti-Israeli demonstrations in the first half of this year. This outpouring of anti-Israeli sentiment has also affected the attitudes of Israel's own Arab minority. The most violent Arab demonstrations in Israel's history, for example, took place in Galilee--inside Israel--this spring. For the foreseeable future, the government should have no difficulties containing such disorders, but because of the inherently insoluble nature of the problem, future unrest is inevitable.

Terrorism

7. Terrorist bombings and Palestinian commando attacks remain the most pernicious and persistent security problem that Israeli military and police forces face. This is especially

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true in those areas that are adjacent to Arab territory, such as northern Gallilee and Jerusalem. Over the years, the Israelis have become skilled in counterterrorism, relying on an extensive intelligence network to keep tabs on known Arab dissidents and to detect and track down guerrilla infiltrators.

8. Nevertheless, the sheer size of the security problem of monitoring the borders and the large Arab population on the West Bank makes it impossible for the Israeli police to thwart every guerrilla operation. Although there has been a significant decline, for example, in terrorist attacks in Israel primarily because of the Palestinians embroilment in Lebanon, the guerrillas and their sympathizers still managed to carry out 150 bombings and acts of sabotage over the past year, killing 36 people and wounding another 199. 25X1

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